

Hobbies

Coin dealers' group tries to bolster ethics code to protect consumers

By Roger Boye

A national association of dealers may strengthen its code of ethics in an attempt to enhance consumer protection in the rare-coin business.

Among other things, changes under consideration would require that member dealers advise their customers that the coin market is speculative and unregulated, and that coins can be a risky investment.

"We're trying to address specific claims made by the Federal Trade Commission and others in cases brought against coin dealers," said David L. Ganz, legal counsel for the Professional Numismatists Guild, Inc. The guild's 300-plus members—which include some of the country's most respected dealers—already agree to uphold a code of ethics and to submit to binding arbitration any dispute brought by a customer.

Under the proposed changes, every person selling coins at the company of a PNG member would have to agree to abide by the PNG code of ethics and to be personally liable for representations made to consumers. In addition, PNG members would be prohibited from:

- using high-pressure sales tactics.
- misleading customers by quoting profit surveys unless the comparisons were "valid, appropriate and sound." The FTC has accused some companies of using price figures from studies of a small number of coins to conclude that the entire rare-coin market had gone up by a similar amount.
- suggesting that holding a coin for a specific period of time assures profitability.

"The new code is intended to be consumer-oriented," Ganz said. "When collectors buy from a PNG member's firm, they'll

know that every dealer in that company has pledged to abide by the code and to submit any dispute to binding arbitration."

The PNG nine-member board of directors unanimously approved the changes last month, and the organization's members will be asked to do so in August, Ganz said.



Slanted mint marks. Doubled dates. Quarters struck on dime planchets. Small dates over large dates. Dimes missing a clad layer.

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For an autographed copy, send \$14.95 to Alan Herbert, RFD 2, 445 E. Ellefson St., Iola, Wis. 54945. It's also sold in many coin shops for \$12.95.